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May 1, 2003

Via Electronic Filing

Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: Notice of Ex Parte Presentation: AT&T Corp. Petition for Rulemaking To Reform Regulation Of Incumbent Local Exchange Carrier Rates For Special Access Services, RM No. 10593.

Dear Ms. Dortch;

Today, Thursday, May 1, 2003, Robert Quinn Jr. and I met with Matthew Brill, Senior Legal Advisor to Commissioner Kathleen Q. Abernathy to discuss RM No. 10593. AT&T reiterated its request for prompt action to reform price cap ILEC rates for special access services. AT&T stated that the comments and reply comments were very clear, there is indisputable proof that the large ILECs and particularly the Bells, retain market power in the provision of special access services, the ILECs are abusing that power with unjust and unreasonable rates and that the FCC's existing rules cannot address this worsening crisis. The attached charts were referred to during the meeting.

The positions expressed by AT&T were consistent with those expressed in AT&T's filed in its petition and reply comments.

Consistent with the Commission rules, I am filing one electronic copy of this notice and request that you place it in the record of the proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Merrick".

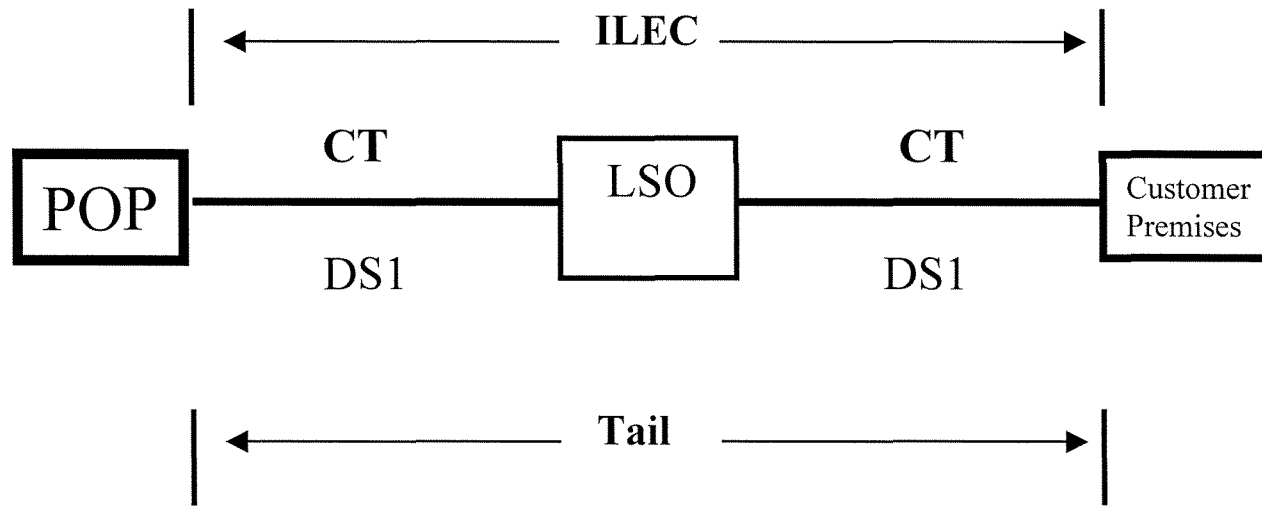
Attachments

CC: Matthew Brill

Special Access Architectures

A: Stand alone DS1 w/0 Mileage (only 1 LSO)

- DS1 Tail: POP to Customer Premise
- ILEC Access
- 0 Mileage



Access Elements (red)

- CT: Channel Termination

Access Service (black)

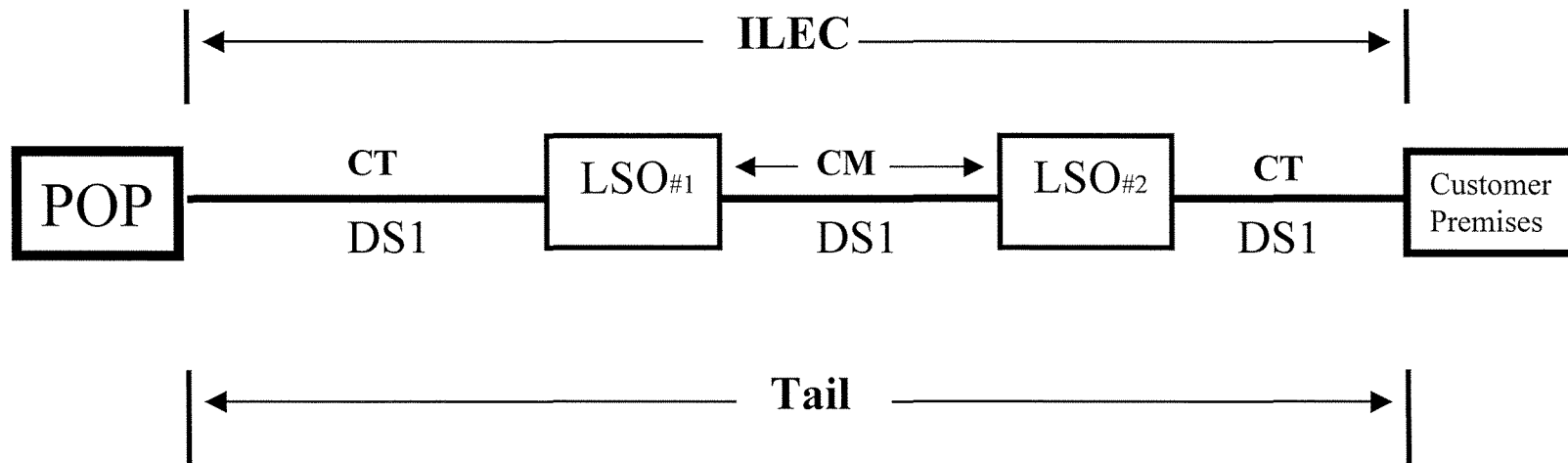
- DS1: High Capacity 1.544 Mpps (24 DS0 channels)

ILEC Access (blue)

Special Access Architectures

B: Stand alone DS1 w/LSO to LSO Mileage

- DS1 Tail: POP to Customer Premise
- ILEC Access
- “X” Mileage



Access Elements (red)

- CT: Channel Termination
- CM: Channel Mileage (Fixed & per Mile)

Access Service (black)

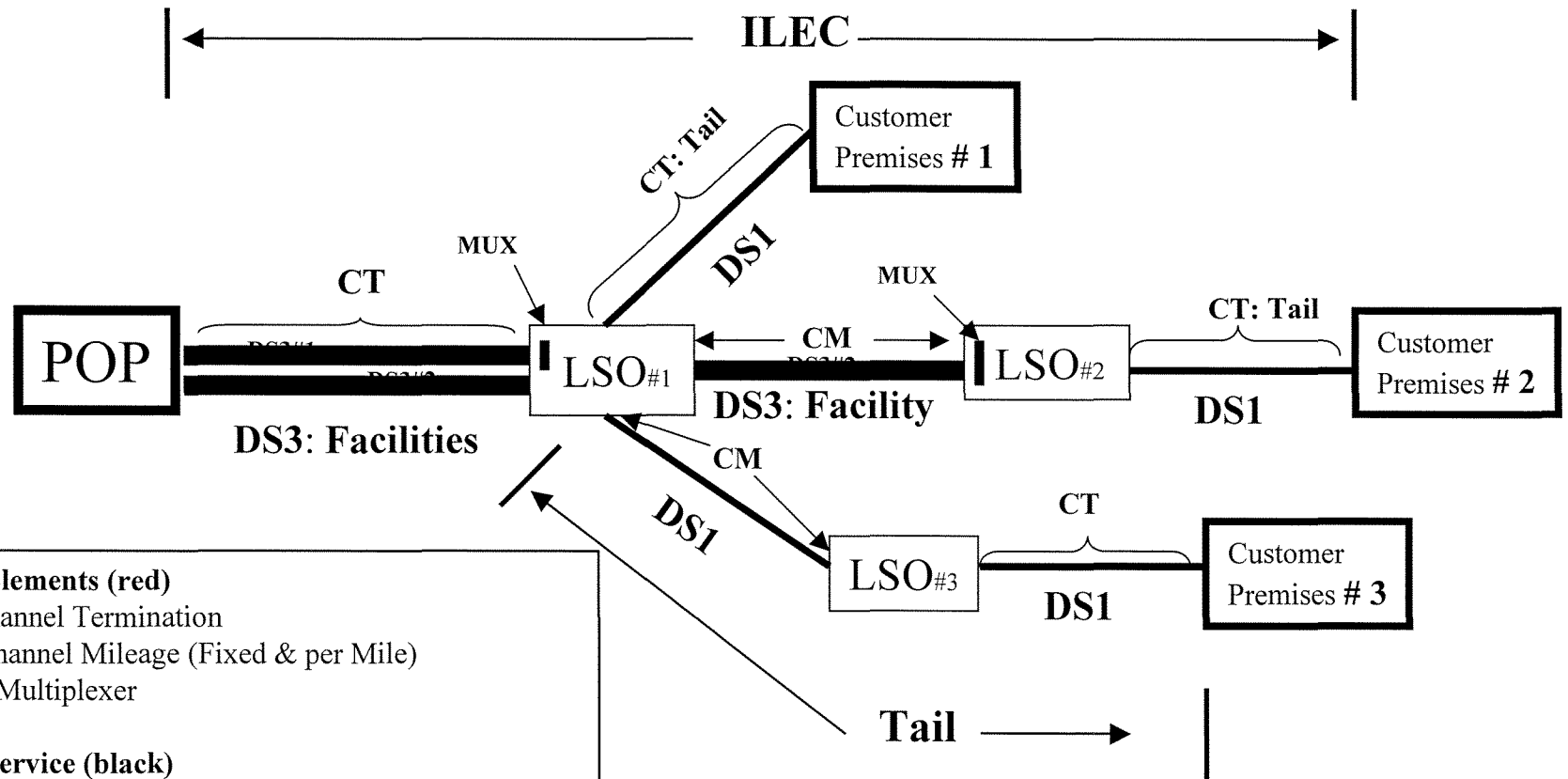
- DS1: High Capacity 1.544 Mpps (24 DS0 channels)

ILEC Access (blue)

Special Access Architectures

C: DS3 Facilities and DS1 Tails

- DS3 Facilities: POP to LSO
- DS1 Tails: LSO to Customer Premises
- All ILEC Access
- Zero Mileage and “X” Mileage



Access Elements (red)

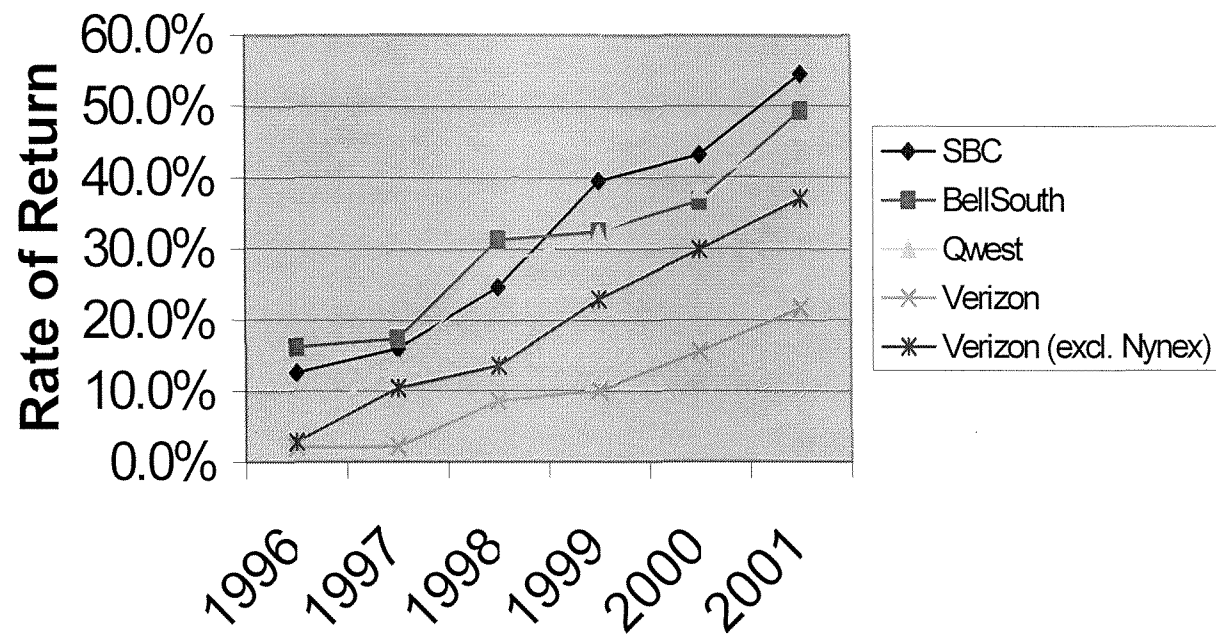
- CT: Channel Termination
- CM: Channel Mileage (Fixed & per Mile)
- MUX: Multiplexer

Access Service (black)

- DS1: High Capacity 1.544 Mpps (24 DS0 channels)
- DS3: High Capacity 44.736 Mbps (28 DS1s, 672 DS0s)

ILEC Access (blue)

Interstate Rate of Return on Special Access



2001 Special Access Rates of Return

BellSouth	49.26%
Qwest	46.58%
SBC	54.60%
Verizon	21.72%
Verizon (excluding NYNEX)	37.08%

These rates of return were calculated from 2001 ARMIS 43-01, Table I, Cost and Revenue Table, Column S, Rows 1910 and 1915.

2001 Financial Data for Interstate Special Access

(\$thousands)

			11.25%	
LEC	Revenue	ROR	Rev. change for 11.25% ROR	
			Dollars	Percent
Ameritech	\$1,395,500	68.9%	(\$1,009,333)	-72.3%
Nevada Bell	\$27,628	82.2%	(\$19,216)	-69.6%
Pacific Bell	\$1,182,468	56.4%	(\$666,182)	-56.3%
Southwest Bell	\$1,449,880	41.2%	(\$714,680)	-49.3%
SNET	\$238,800	68.7%	(\$142,263)	-59.6%
Total SBC	\$4,294,276	54.6%	(\$2,551,675)	-59.4%
Verizon-South	\$1,836,921	28.7%	(\$658,930)	-35.9%
Verizon-North	\$1,370,425	3.4%	\$343,283	25.0%
GTE/Contel	\$1,145,685	58.7%	(\$690,882)	-60.3%
Total Verizon	\$4,353,031	21.7%	(\$1,006,529)	-23.1%
BellSouth	\$1,831,143	49.3%	(\$966,304)	-52.8%
Qwest	\$1,528,226	46.6%	(\$710,428)	-46.5%
Sprint/United	\$317,589	131.7%	(\$234,530)	-73.8%
TOTAL LEC	\$12,324,265	38.3%	(\$5,469,466)	-44.4%